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ABSTRACT

This primer presents key facts about child care and early education in New York City and delineates issues related to the current status of child care and early education. Specifically, the primer provides information on the number of children served by child care programs, Head Start, the Universal Prekindergarten program, preschool special education, and Superstart and Superstart Plus federal funds. Information is then presented in tabular or graphic form on the cost of child care, the shortage of care for infants and toddlers, provider compensation, the confusing nature of the system for parents, public funding flow, city investments in child care, child care settings, child care hours and regulations, publicly funded program characteristics, and the economic impact of child care. The primer makes the case that the child care and early education system is confusing to families and is characterized by: (1) uneven quality of care; (2) inadequate capacity for regulated services; (3) lack of a strategy for financing facilities; (4) limited subsidies; (5) inconsistent standards across agencies; (6) shortage of qualified professionals; (7) lack of comprehensive professional development strategy; (8) inadequate compensation for workforce; (9) limited planning and service coordination among agencies; and (10) a limited understanding of the child care industry's economic impacts. (KB)

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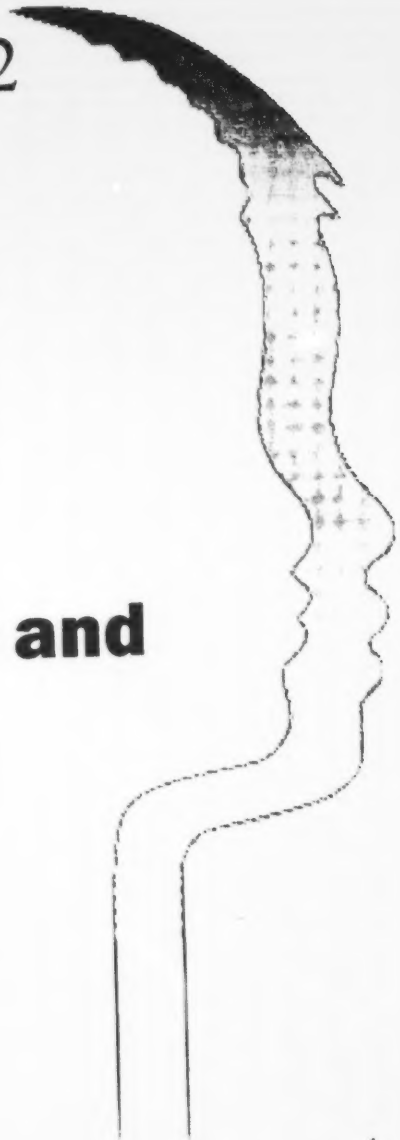
A Basic Guide To Early Care and Education in New York City



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key facts about child care and early education in New York City

- 540,000 children under age 5 in NYC, 350,000 with working parents[1]
- 38,000 children on waiting lists for city subsidies[2]
- Only 45% of children needing out-of-home care have access to regulated care[3]
- Multiple agencies and funding sources. No coordinated public system.[4]

Program	Agency	Children Served
Child Care	Administration for Children's Services (ACS)	61,553
	Human Resources Administration (HRA)	35,563
	Total	97,116
Head Start	Administration for Children's Services (ACS)	17,356
	US Department of Heath and Human Services (DHHS)	2,563
	Total	19,919
Universal PreK	Department of Education (DOE)	44,779
Preschool Special Education	State Education Department / DOE	20,581
Superstart and Superstart Plus	Department of Education (DOE)	9,095

[1] Sources: New York State Department of Health, Bureau of Biometrics. Labor Force Participation rates from the Bureau of Labor Statistics (average maternal participation rate of 66% for children under 5). For more on estimation method see: Child Care, Inc., *A Child Care Primer*, 2000, p. 30.

[2] Source: Citizens' Committee for Children, June 2002.

[3] Source: Child Care, Inc., *A Child Care Primer*, 2000, p. 33.

[4] Sources for Chart: Child Care, Inc., *A Child Care Primer*, 2000 & 2002; IBO 2002.

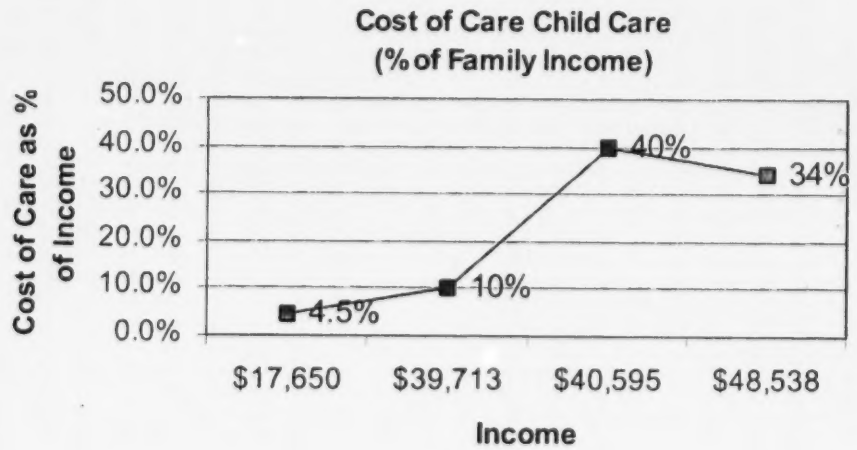
NOTE: Many children are funded by more than one program. Numbers can not readily be totaled

child care and early education issues in New York City

- *Complex* access for families
- *Uneven* quality of care
- *Inadequate* capacity for regulated services
- *No* strategy for financing facilities
- *Limited* subsidies, making child care unaffordable for many working families
- *No* consistent standards for programs across agencies
- *Shortage* of qualified professionals
- *No* comprehensive professional development strategy
- *Inadequate* compensation for workforce
- *Limited* planning and service coordination among agencies
- *Limited* understanding of child care industry's economic impacts

the high cost of care $

- Child care expenses for a family of four can exceed the cost of food, rent, and taxes, often making child care the single largest item in a family's budget.
- Subsidies significantly defray the cost of care. A 5% increase in income, making a two-parent family ineligible for a subsidy, can multiply child care costs four-fold (from 10% of family income to 40% of family income).[1]



		Family Income	Annual Child Care Fees	Percent of Income Spent on Child Care
Ineligible for subsidy	275% FPL	48,538	$ 16,380	34%
	230% FPL	40,595	$ 16,380	40%
Subsidized care	225% FPL	39,713	$ 3,971	10%
	100% FPL	17,650	$ 792	4.5%

[1] Family with one infant in a regulated family child care setting ($135/week) and one preschool child in a licensed child care center ($180/week). Rates from the New York State Market Rate Survey, August 2002.

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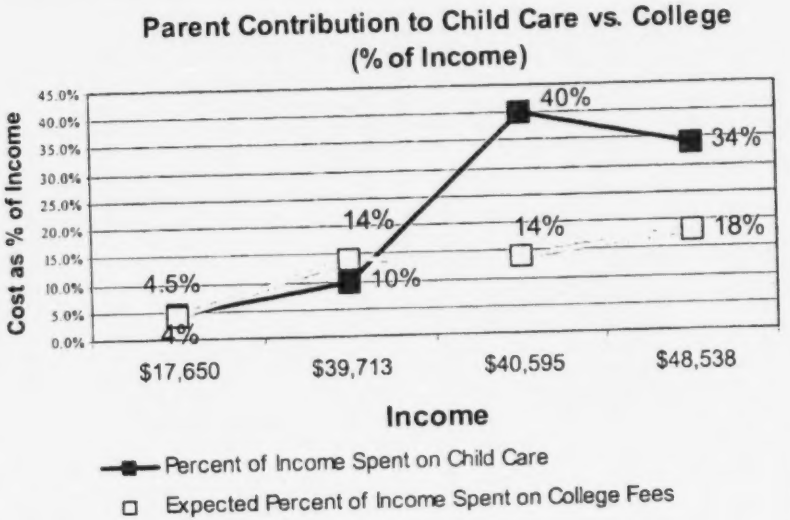
the high cost of care: comparison with college

- A family of four with two children not eligible for a child care subsidy may spend approximately 40% of income, or $16,380 per year, on child care.[1] In contrast, the federal financial aid formula for college expects the same family to contribute only 14% of its income for college expenses.[2]



		Family Income	Annual Child Care Fees	Annual College Fees
Ineligible for subsidy	275% FPL	48,538	$ 16,380	$ 8,614
	230% FPL	40,595	$ 16,380	$ 5,705
Subsidized care	225% FPL	39,713	$ 3,971	$ 5,416
	100% FPL	17,650	$ 792	$ 729

[1] Family with one infant in a regulated family child care setting ($135/week) and one preschool child in a licensed child care center ($180/week). Rates from the New York State Market Rate Survey, August 2002.

[2] Expected Family Contribution Model, Federal Student Aid, Department of Education for the 2002 award year. Assumes two parents, age 50, living in New York State. http://ifap.ed.gov/IFAPWebApp/currentEFCInformationPag.jsp

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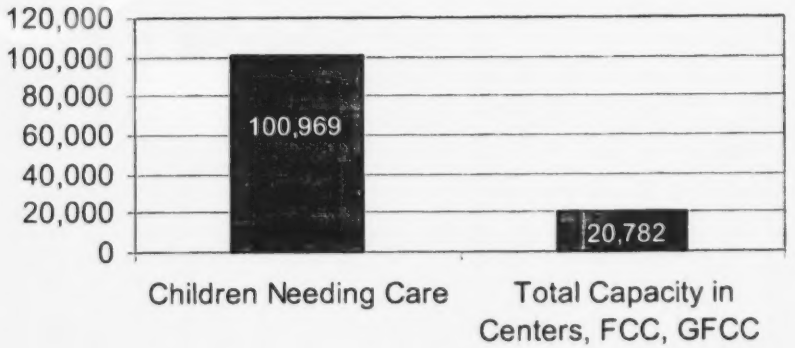
shortage of care for infants & toddlers

- There are over 100,000 New York City children, ages zero to two, who need out-of-home care while their parents work.[1] New York city has regulated child care services for only 20% of them.[2]
- Of the children served, 87% are in family child care settings.

Children Under Age Two Needing Out-of-Home Care and Available Capacity

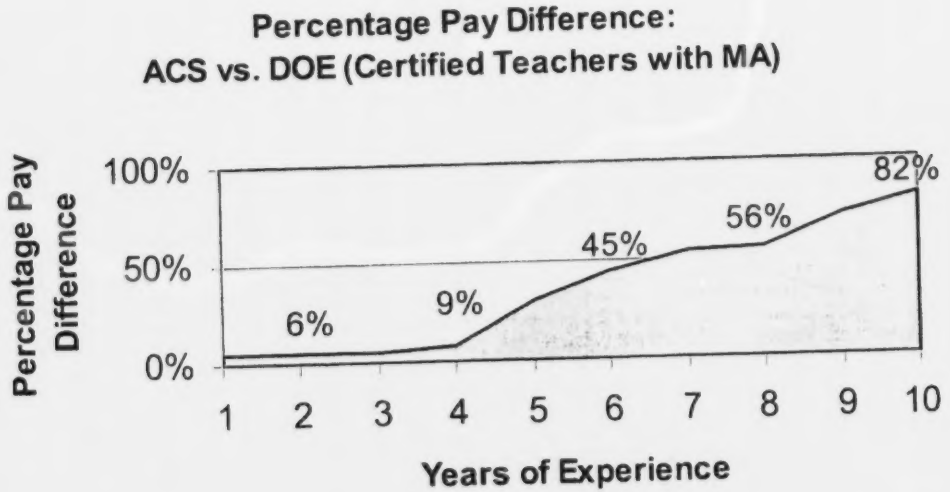


Type of Care	*Capacity City-wide*
Family Child Care	14,000
Group Family Child Care	4,000
Centers	2,782
Total	20,782

[1] Based on labor force participation rates from Bureau of Labor Statistics.
For estimation method see: Child Care, Inc., *A Child Care Primer*, 2000, p. 30.
[2] Sources: Department of Health (DOH) list of registered programs, June 2000, and CCR&R Consortium Unified Database, September 2000.

provider compensation not adequate

- State certified early childhood teachers may earn almost twice as much working in the public schools (DOE) as in a publicly supported child care setting (ACS). [1]
- With the recent pay raise for Department of Education teachers (not reflected here), the disparity has only increased.[2]



[1] ACS Advisory Committee, Professional Development Subcommittee, March 2001. ACS funded wages vary based on date seniority is achieved. We conservatively assume maximum possible ACS pay increase. Starting salaries for fully certified teachers are $34,362 (ACS) and $36,045 (DOE).

[2] Starting salary at DOE, e.g., now approximately $39,000, a $3,000 increase from that reflected above.

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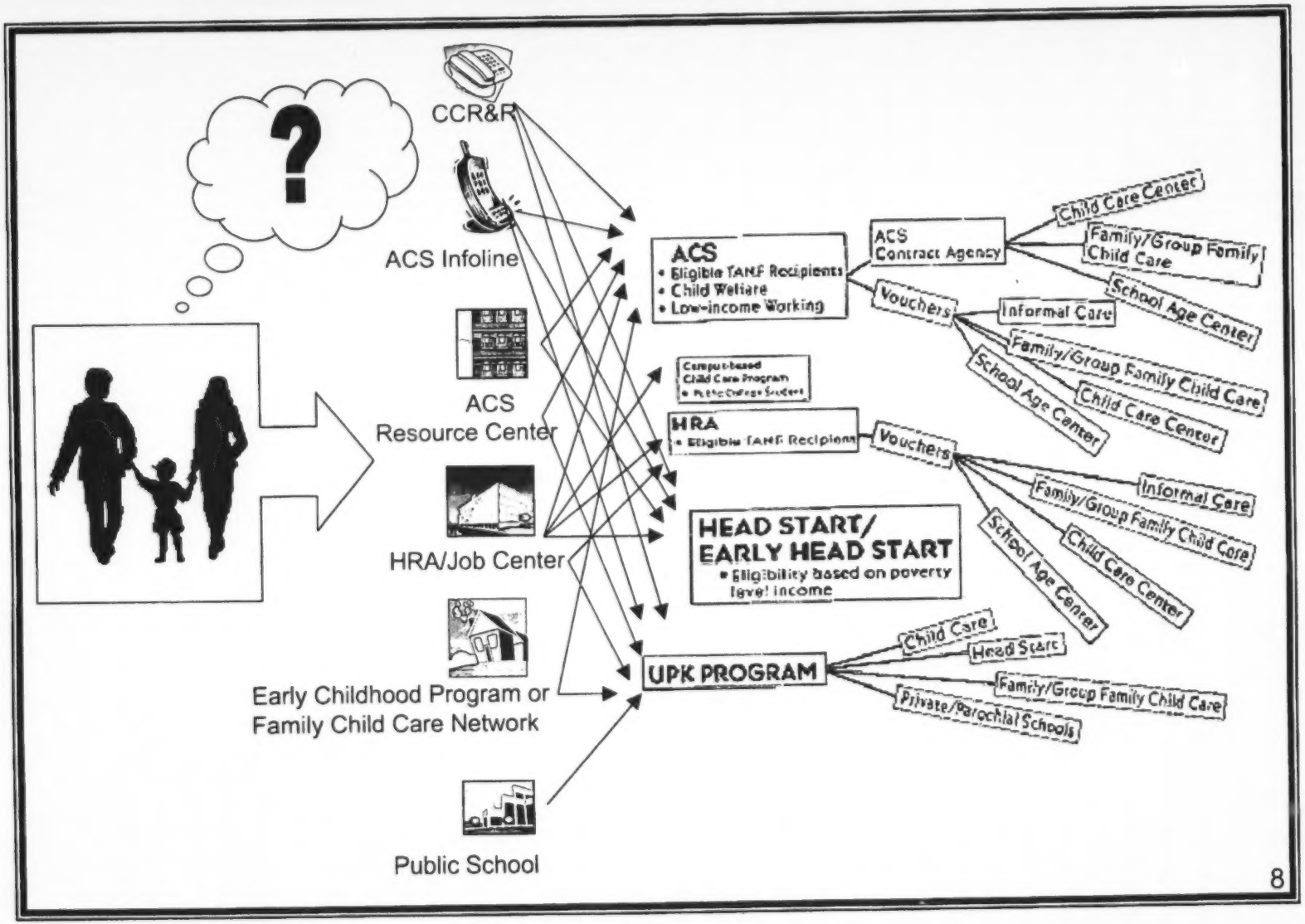
system confusing for parents



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public funding flow for child care & head start

1 **FEDERAL → STATE → LOCAL**

- Child Care Development Block Grant (CCDBG)
- Social Services Block Grant (Title XX)
- Temporary Assistance to Needy Families Block Grant (TANF)

2 **FEDERAL ⋯⋯→ LOCAL**

- Federal Head Start Program

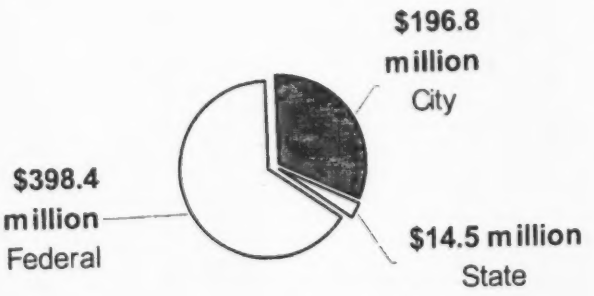
3 **STATE → LOCAL**

- Child Care Development Fund
  (CCDBG + State TANF Surplus + State Funds)

4 **LOCAL**

- City Tax Levy
  (Mandated match plus additional funding)

New York City Child Care Budget
by Funding Source, Fiscal Year 2002*



*Source: Independent Budget Office, December 2002.
Does not include Head Start funding.

United States Department of Health & Human Services

The Empire State NewYorkState

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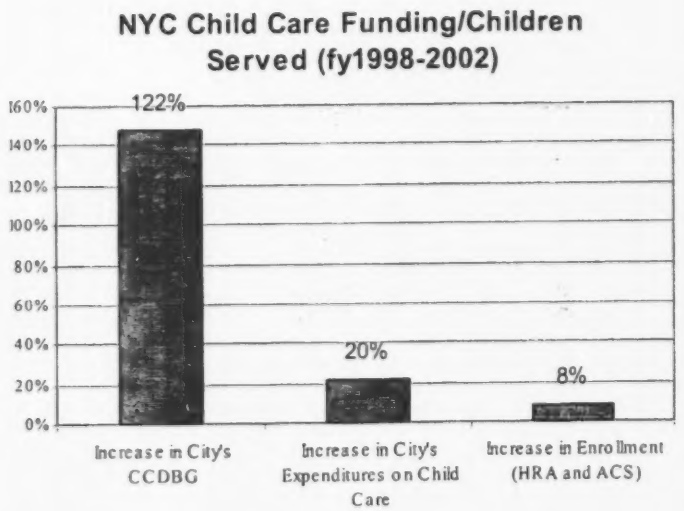
declining city investments in child care

Funding and Children Served



[1]Source: Independent Budget Office, December 2002. Includes TANF transfer to CCDBG.

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A closer look: settings[1]

?

Home Based Care

In Own Home
- Care by a relative or nanny
- All ages
- License-exempt ("informal")
- No regulations or standards

In Caregiver's Home
—License Exempt ("Informal")
- No more than two children
- All ages
- No regulations or standards

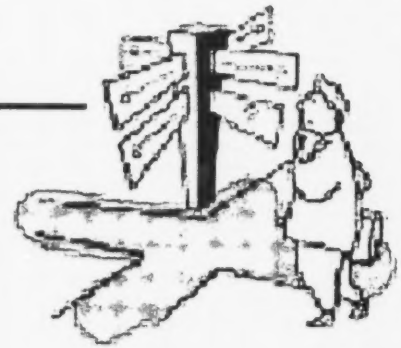
—Family /Group Family Child Care
(6800 FCC/ 1000 GFCC)
- Registered care
- 3 to 6 children in family child care
- Up to 12 children in group family child care

Center Based Care

Community Based Centers
(1800 licensed programs)
- Part-day or full-day full-year
- Includes Head Start, ACS Child Care, preschool, etc.
- Certified teachers required
- In community centers, churches, Ys, housing developments, college campuses, etc.

Registered School Age/Youth Services
(1300 registered programs)
- After-school, evenings or weekends
- In schools and community based organizations

Workplace
- A few programs in NYC, mainly in hospitals or public agencies
- Increasing interest in "back-up" care programs sponsored by major NYC employers



School-Based

Public Schools
- Licensed teachers
- 4--year-olds in UPK or SuperStart
- 5-year-olds in kindergarten
- Many ages in after-school programs

Parochial & Private Schools
- License exempt ("no permit required")

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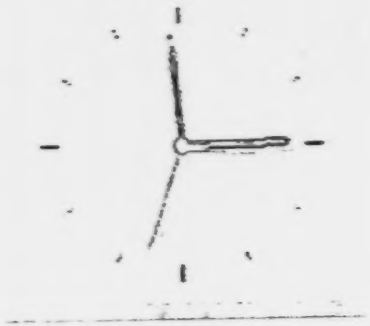
[1] Source: Child Care, Inc., *A Child Care Primer*, 2000.

a closer look: hours and regulations



Hours of Operation

FULL-DAY PROGRAMS
Most programs in NYC are open from 8am to 6pm. Some have extended hours.

SCHOOL-DAY PROGRAMS
General comparable hours to the public schools: 8:40am to 3pm.

PART-DAY PROGRAMS
Generally operate for 3-hour sessions. May offer a morning and afternoon program.

AFTER-SCHOOL PROGRAMS
Most operate 3pm to 6pm and many on school holidays and vacations. Some youth programs offer weekend and evening programs.

NON-TRADITIONAL HOUR CARE
Includes extended hours, weekends, and 24-hour care. Few programs are available.

Regulations

Family Child Care (6 weeks to 12 years)	Group Family Child Care (6 weeks to 12 years)	Full and Part-day Early Childhood Programs (6 weeks to 5 years)	School Age Care* (5 to 12 years)
Care for 3-6 children in provider's home.	Care for up to 12 children in provider's home.	Care for 7 or more children in a center (public schools exempt).	Care for 7 or more children before or after school and during holidays and vacations, including summer.
REGISTRATION through NYC Dept. of Health and Mental Hygiene under the authority of NYS Office of Children and Family Services (OCFS). A prior home visit required, and 30 hours of training every two years.	LICENSING through NYC Dept of Health and Mental Hygiene under the authority of NYS Office of Children and Family Services (OCFS). A prior home visit required, and 30 hours of training every two years	LICENSING through NYC Dept. of Health and Mental Hygiene. Center inspection required. All 3 to 5-year-old classrooms must have a certified early childhood teacher.	REGISTRATION through NYC Dept. of Health and Mental Hygiene under the authority of the NYS Office of Children and Family Services (OCFS). Fire and other safety inspections required within 12 months preceding date of application.

*Separate regulation for summer camp.

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— a closer look: publicly funded programs —

Public Program	Eligibility	Fees	Hours	Key Facts
ACS Child Care	Low-income parents Up to 225% FPL for family of 4 Long waiting list	No fees for families with income below federal poverty level; Maximum 10% of gross income, based on income and family size	Based on hours of work. Typically 8am to 6pm (10 hours)	Manages most subsidies to low-income families Primarily contracted centers and family child care settings, supplemented with vouchers
HRA Child Care	Guaranteed to families receiving public assistance and working or transitioning off of public assistance	No fees for families with income below federal poverty level; Maximum 10% of gross income, based on income and family size	Based on hours spent working or in training	A voucher payment system Extensive utilization of informal care by program participants
Head Start (ACS & DHHS)	Family income below poverty line 3-and 4-year-olds 10% ineligible allowed	No fees	Majority 3 hours per day, increasing number are full- or extended-day Typically 10 months per year	ACS is largest grantee; subcontracts to community based organizations Funding not sufficient to cover all eligible 4-year-olds
Early Head Start	Infants and toddlers Comprehensive services 10% ineligible allowed	No fees	Part-day and full-day home & center models	Federal to local Only 12 programs in NYC
Universal Prekindergarten (DOE)	All 4-year-old children eligible in legislation	No fees	2½ hours per day, school year	70% of City's UPK provided in 650 early childhood programs outside the public schools Funding not sufficient to cover all eligible children Priority to economically disadvantaged
SuperStart and SuperStart Plus (DOE)	Primarily 4-year-olds Low income neighborhoods	No fees	School-day, school-year	School-based only Funding limited

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— opportunities for women's commission —

- Support Economic Impact Analysis to examine child care as economic development strategy
- Support child care as element in redevelopment of lower Manhattan
- Increase business community's attention to child care & early education

Child Care is an Economic Sector

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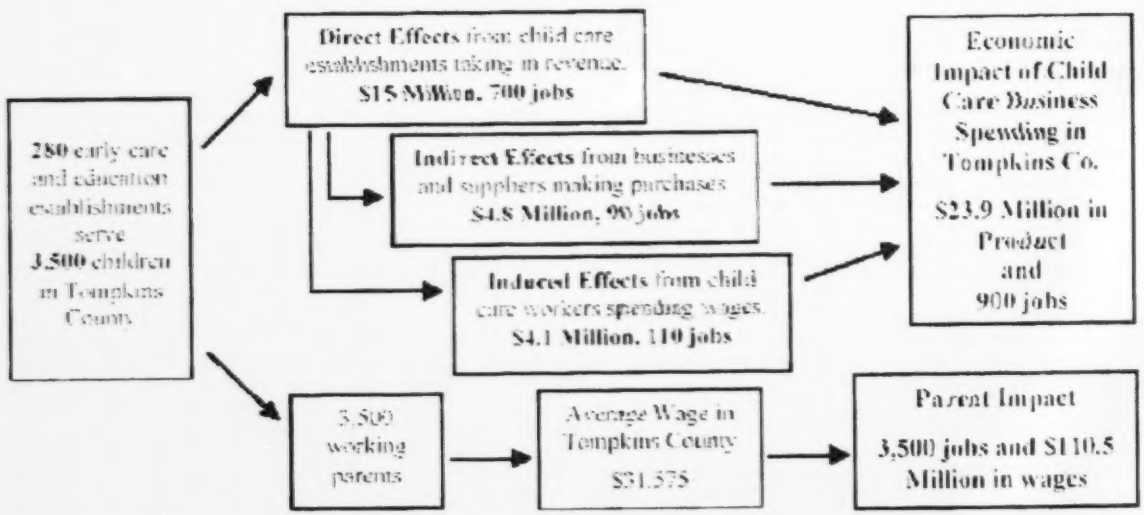
economic impact analysis: an example

CORNELL


280 early care and education establishments serve 3,500 children in Tompkins County
Direct Effects from child care establishments taking in revenue. $15 Million, 700 jobs
Indirect Effects from businesses and suppliers making purchases $4.8 Million, 90 jobs
Induced Effects from child care workers spending wages. $4.1 Million, 110 jobs
Economic Impact of Child Care Business Spending in Tompkins Co.
$23.9 Million in Product and 900 jobs
3,500 working parents
Average Wage in Tompkins County $31,575
Parent Impact
3,500 jobs and $110.5 Million in wages

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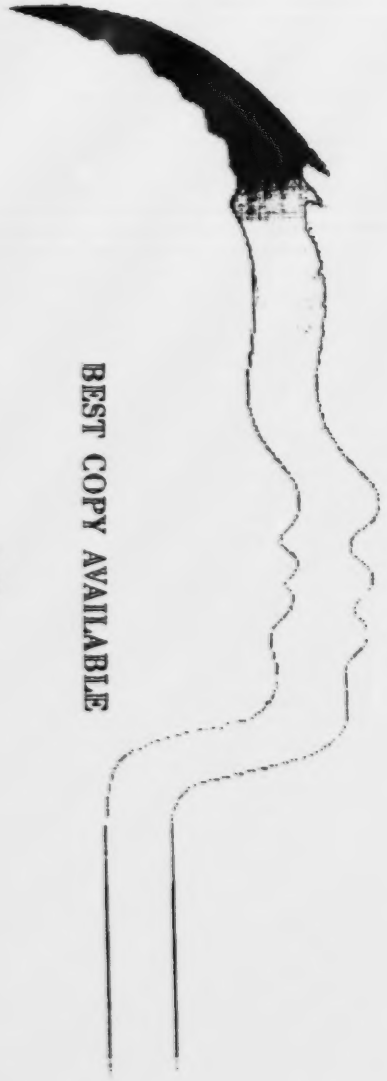
getting started

- Seek input from city agencies with responsibility for early care and education
- Invite chair of Union Child Care Coalition to discuss trade union activity in support of child care
- Meet with Cornell University to review economic impact study
- Meet with representatives from Lower Manhattan Development Corporation



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about child care, inc.

Child Care, Inc. (CCI) strives to make high-quality child care and early education opportunities a reality for every child in New York City. As a recognized leader in the field, CCI...

...**helps thousands of parents each year make informed decisions** about child care for their children, with special attention to the needs of low-income families.

...**offers training to all types of child care programs**, including infant and preschool services, family child care, and school-age care.

...**provides technical and financial assistance** to start up and expand child care programs.

...**promotes local, state and national public policies** that support quality early care and education.

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